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Accused Spy Tells of Links With CIA, Contacts in Tokyo

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Accused spy Richard Craig Smith says he passed on military secrets to a Soviet KGB officer in Japan as part of a clandestine operation directed by the Central Intelligence Agency and designed to infiltrate Soviet intelligence.

Smith, a former Army counterintelligence specialist who is accused of disclosing the identities of six U.S. double agents to a Soviet KGB officer for \$11,000, says he was instructed by the CIA to pose as an American businessman with terminal cancer. He says he was told to pretend that he would be willing to "sell anything," including military secrets, to help put aside a financial nest egg for his family.

"That gave me a motivation for being willing to say something I probably shouldn't say and it also allowed the CIA to put me in and establish the contact and then take me out very quickly—I'd just get sick," he said last week.

Smith says he was also told by the CIA that they would disavow any of his activities if he was discovered in Japan.

In a 3½-hour interview conducted with his two lawyers present, Smith publicly outlined for the first time since his April 4 arrest his version of why he gave information to the Soviets.

There is no way to verify Smith's story independently. The CIA, as it has in the past, refused yesterday to discuss allegations by Smith.

Smith, 40, of Bellevue, Wash., was released on \$500,000 bond early last week. He has been accused of disclosing the identities of the double agents to Victor I. Okunev during two meetings at the Soviet commercial compound in Tokyo in November 1982 and one in February 1983. If convicted of transmitting national defense information to a Soviet in-

telligence agent, Smith could be sentenced to life in prison. A federal judge in Alexandria has set his trial for July 9.

Smith, who handled double agent operations for the Army Intelligence and Security Command (INSCOM) during the last seven of his 13 years in the Army, does not dispute passing on the information to Okunev or receiving the \$11,000 in cash. He contends, however, that the meetings were part of an operation, initiated in 1981, and directed by CIA operatives who knew he had to provide some intelligence information to establish his credibility with Okunev.

"Some of those operations never existed," he said. "Some of them did work, but they had been terminated. They were finished. They were not active operations. There was no damage."

By spring of 1983, however, Smith says he had lost contact with his CIA operatives. He says he has tried repeatedly to get in touch with them since then, but never succeeded.

Asked to comment yesterday on Smith's contention that he worked for the CIA, Assistant U.S. Attorney Joseph Aronica, who is prosecuting the case, said: "The Justice Department doesn't move forward on a case of this nature unless there is full consultation."

Smith says his connection with the CIA began in Tokyo in June 1981 when he was contacted by two men who said they worked for the agency. At that time, Smith, who had resigned from Army intelligence in January 1980 because of family considerations, was in Japan on a business trip. He was representing several U.S. companies, including some high technology firms that were seeking Japanese investors.

The two men contacted Smith at his hotel in Tokyo. They initially said they were with the U.S. Embassy in Tokyo, and told him their names were Ken White and Danny Ishida.

Attempts to reach a spokesman at the embassy yesterday were unsuccessful.

Smith says the two men later said they were with the CIA, and to prove their credibility, told him of double agent operations he had run when he was in charge of INSCOM's San Francisco field office.

Smith agreed to become involved, he said, "because I loved that work. I left [the Army] with a great deal of regret, for the benefit of my family. And all of a sudden, I found myself in a position where I could continue to do it but I could still maintain my family status."

"The scenario was that I was going to go in there [the Soviet commercial compound] and convince him [Okunev] that I was a businessman who was trying to do some deals under the table," both in high technology and in military intelligence, he said. His job, he said, "was to set the hook, and that's what I did."

He says he met several times in Tokyo with White and Ishida to discuss the operation, and finally after several attempts, made contact with the Soviet commercial office on Nov. 5, 1982.

The meetings with Okunev, he said, were exhilarating and frightening at the same time.

"The experience was an incredible rush. Everyone always dreams of being able to go toe-to-toe with the adversary and win," he said. "On the other hand, it was a terrifying experience because the guy was so damned good . . . he was able to force me into situations to set me up and make me either blow my cover or substantiate myself further."

To appear ill, Smith said he would not go to sleep the night before the meetings, not wash his hair, and would wear blue jeans and T-shirts.

Smith, who was taught to speak Japanese by the Army and had been stationed at Camp Zama outside of Tokyo several times during his Army career, was instructed not to initiate conversation about his intelligence background but to talk instead about some of the high technology

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